

Message Text

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21

ORIGIN COME-00

INFO OCT-01 EA-09 ISO-00 AGR-10 CIAE-00 EB-07 INR-07

LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-02 FRB-01

OMB-01 /048 R

DRAFTED BY COMMERCE:ELIPSCOMB:AGAREL:EB/FTD:SFOUTS:HM

APPROVED BY EB/FTD:CANGEVINE

EA/PRCM - MVONBRIESEN

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R 121503Z MAR 76

FM SECSTATE WASHDC

TO AMCONSUL HONG KONG

UNCLAS STATE 060504

E.O. 11652:N/A

TAGS:ETRD, HK

SUBJECT:TEXTILE AGREEMENT - TRANSSHIPMENTS.

1. OFFICIALS US DEPT COMMERCE RECEIVING SUBSTANTIAL NUMBER OF CALLS RELATIVE TO FUTURE TRANSSHIPMENTS AND DIVERSIONS TO CIRCUMVENT US-HONG KONG BILATERAL TEXTILE AGREEMENT. PROBLEM SEEMS TO BE RELATED TO LARGE EXTENT TO INCREASING COSTS OF ALLOCATIONS FOR GOODS TO US.

2. WE ARE ADVISING ALL CALLERS THAT DIVERSIONS AND TRANSSHIPMENTS ARE CHARGED TO HONG KONG LEVELS BUT FEAR THIS WILL NOT BE DETERRENT. MORE THAN DOZEN CALLS IN PAST WEEK INDICATE THIS MAY BECOME PROBLEM OF MAJOR PROPORTIONS UNLESS ACTIONS TAKEN QUICKLY. ONE CALLER ALONE WISHES TO TRANSSHIP 500,000 PAIRS DENIM TROUSERS THROUGH CANADA.

3. WE BELIEVE USG AND HKG HAVE COMMON INTEREST IN AVOIDING LARGE SCALE OVERSHIPMENTS FROM HONG KONG WHICH COULD UNCLASSIFIED

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OCCUR AS RESULT OF TRANSSHIPMENTS AND DIVERSIONS OF THIS

MAGNITUDE. USG PROPOSES AS SOLUTION ESTABLISHMENT
MODIFIED VISA ARRANGEMENT COVERING ONLY APPAREL OF
COTTON AND MAN-MADE FIBER. UNDER SUCH AN ARRANGEMENT,
HONG KONG WOULD CERTIFY EACH SHIPMENT OF SUCH PRODUCTS
THAT WERE LICENSED FOR EXPORT TO THE US. U.S. CUSTOMS
WOULD DENY ENTRY OF MERCHANDISE NOT PROPERLY CERTIFIED.
WE ARE POUCHING DRAFT OF A POSSIBLE SIMPLIFIED VISA
ARRANGEMENT AND WOULD APPRECIATE HKG COMMENTS ON
PROPOSAL.

4. US HOPES SOLUTION TO THIS PROBLEM CAN BE WORKED OUT
BY TELEGRAM AS SOON AS POSSIBLE, OR AT LATEST WHEN
U.S. DELEGATION VISITS HONG KONG IN APRIL. INGERSOLL

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Message Attributes

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Draft Date: 12 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
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Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Drafter: ELIPSCOMB:AGAREL:EB/FTD:SFOUTS:HM
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Film Number: D760095-0311
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Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1976/newtext/t19760365/aaaacfla.tel
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Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Margaret P. Grafeld
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TAGS: ETRD, HK, US
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